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Attorneys for Plaintiff/Counter Defendant
TESLA, INC.

**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

TESLA, INC.,

Plaintiff,

v.

MARTIN TRIPP,

Defendant.

AND RELATED COUNTERCLAIMS

Case No. 3:18-cv-00296-MMD-CLB

CASE STATUS REPORT

1 Plaintiff Tesla, Inc. (“Tesla”), through its attorneys of record, hereby submits the following
2 status report to bring to the Court’s attention certain issues that have arisen since the Status
3 Conference held on August 14, 2020.

4 **A. Background**

5 1. Defendant Martin Tripp is a tool of an anti-Tesla group that is motivated to cause
6 harm to Tesla’s stock price, calling themselves “\$TSLAQ.” The members of the group include
7 anti-Tesla social media trolls and wealthy short sellers of Tesla stock. Tripp’s case against Tesla
8 has been funded by anonymous members of the \$TSLAQ community through a crowdfunding
9 campaign and directly by a hedge fund with short positions in Tesla stock. By engaging in this
10 practice, short sellers and others can secretly funnel money into improper efforts to harm Tesla.
11 With Tripp now owing Tesla many tens of thousands of dollars (due to sanctions and Tesla’s
12 status as a prevailing party on Tripp’s claims) and with Tripp making clear that he will not pay
13 Tesla anything, it is time for this to become a two-way street and for those lurking in the shadows
14 to be exposed and to pay up when Tripp does not.

15 2. As the Court is well aware, Tripp went on a Twitter tirade in early August, releasing
16 volumes of Tesla’s confidential and attorneys-eyes-only documents, which he had obtained
17 through discovery and that were subject to a protective order. He also publicly attacked the Court
18 and Tesla’s counsel on Twitter. (ECF Nos. 199 and 207).

19 3. On August 14, 2020, the Court entered an Order (ECF No. 211) granting Tesla’s
20 order to show cause regarding civil contempt and case-terminating sanctions under F.R.C.P. 37(B)
21 (ECF No. 207), for Tripp’s violation of the terms of the Court’s Protective Order (ECF No. 44)
22 and the Court’s subsequent Order (ECF No. 205).

23 4. Under the terms of the Court’s August 14, 2020 Order, Tripp agreed to pay Tesla
24 the amount of twenty-five thousand (\$25,000.00) dollars in attorneys’ fees as sanctions within
25 sixty days. If Tripp was unable to pay the agreed upon amount within sixty days, Tripp was to
26 contact counsel for Tesla to discuss how such fees would be paid. (ECF No. 211). As described
27 below, although Tripp represented to the Court that he would be funding the sanction payment to
28 Tesla through his GoFundMe campaign proceeds (which has exceeded \$30,000), he has told Tesla

1 that he is using that money for living expenses and has offered to send Tesla a grand total of ten
2 dollars.

3 5. On September 17, 2020, the Court granted Tesla's Motion for Summary Judgment
4 on all of Tripp's Counterclaims, ending Tripp's case against Tesla. (ECF Nos. 155, 162).
5 Whereas, Tesla's claims against Tripp for theft of trade secrets, computer crimes, breach of
6 contract, and breach of fiduciary duty are able to continue. (ECF No. 154).

7 **B. Tripp's Supposed Inability or Unwillingness to Pay and Intent to Further Violate the**
8 **Court's Orders**

9 6. Tripp's GoFundMe campaign has raised a total of \$31,482. A second campaign
10 has raised \$945. (Attached hereto as Exhibit 1).

11 7. On September 12, 2020, prior to the Court's ruling on Tesla's Motion for Summary
12 Judgment of Tripp's counterclaims, Tripp wrote to Tesla, stating that he had \$10 USD available
13 to transfer, that he is using other GoFundMe proceeds for his living expenses, and that he "will be
14 unable to pay the balance ordered by the court." (Attached hereto as Exhibit 2). Tripp also
15 demanded that Tesla pay him money in order for him to cease his ongoing public communications
16 about the issues in this case. (*Id.*).

17 8. On September 18, 2020, shortly after the Court's Summary Judgment Orders were
18 issued, Tripp again wrote to counsel for Tesla, stating, "An update on my finances: still no
19 employment, and will remain that way, more than likely, for the foreseeable future. ALL of my
20 beehives and any personal items have been sold to Friends of Family. The gofundme, which was
21 set up specifically for the \$25,000 sanction amount, has acquired a total of \$118 in donations thus
22 far. Bear in mind, gofundme deducts a 2.9% fee as well as a .30 per donation transaction, when
23 figuring into your calculations. I'll continue to update you monthly if you so wish." (Attached
24 hereto as Exhibit 3).

25 9. On the evening of September 22, 2020, Tripp again wrote counsel for Tesla, this
26 time threatening his participation in a speaking tour "throughout Europe in the coming months"
27 and that the companies hosting his appearances have asked "what are the specifics of the \$500 /
28 day for discussing AEO documents? Is this a per occurrence (for every document [Tripp])

1 describe[s])? Or is it per day, no matter what [Tripp] describe[s]/discuss[es]?” and “to who and
2 where they would need to send a check.” (Attached hereto as Exhibit 4).

3 10. Tesla has not received the \$25,000 in sanctions, and based upon Tripp’s repeated
4 communications throughout September, he does not intend to pay, and in fact intends to further
5 violate the Protective Order (ECF. No. 44) and the Court’s subsequent Orders (ECF Nos. 205,
6 211).

7 **C. Tripp’s Wealthy \$TSLAQ Backers**

8 11. On November 16, 2018, Tripp and The Funicular Fund, LP, an affiliate of hedge
9 fund Cable Car Capital and short-seller of Tesla stock, entered into a Litigation Funding
10 Agreement providing \$150,000 to Mr. Tripp.

11 12. On December 31, 2019, the parties entered into an amended Litigation Funding
12 Agreement, which provided Tripp with another \$150,000. Among other things, it stated that
13 amounts collected from Tripp’s GoFundMe campaign would be placed in a Client Trust Account
14 and that the hedge fund would be entitled to anything left over in the Account after the case had
15 ended.

16 **D. Future Litigation**

17 13. Given Tripp’s failed case, his failure to pay, and his stated intention to continue to
18 disseminate Tesla confidential and Attorneys’ Eyes Only information, Tesla will be seeking
19 further relief, which may include (a) additional sanctions against Tripp; (b) recovery from Tripp’s
20 litigation funder; (c) recovery from Tripp’s Client Trust Fund containing Tripp’s GoFundMe
21 proceeds; and (d) an order for Tripp to pay sanctions from any future GoFundMe funds raised.

1 14. Tesla will be filing the necessary motions after the October 14, 2020 deadline for
2 Tripp to comply with the Court's Order of sanctions (ECF No. 211) by such date.

3 DATED this 23rd day of September, 2020.

4 QUINN EMANUEL URQUHART &
5 SULLIVAN, LLP

6 By: /s/ Alex Spiro

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